

RUSH TOWNSHIP  
(SHIAWASSEE COUNTY)

AUDITED FINANCIAL STATEMENTS

MARCH 31, 2006

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name RUSH TOWNSHIP	County SHIAWASSEE
Fiscal Year End 03/31/06	Opinion Date 09/05/06	Date Audit Report Submitted to State 09/15/06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES  
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☐ ☒ The local unit is free of repeated comments from previous years.
12. ☐ ☒ The audit opinion is UNQUALIFIED.
13. ☐ ☒ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) DEMIS AND WENZLICK, P. C.		Telephone Number (989) 723-8227	
Street Address 217 N WASHINGTON STREET, SUITE 201		City OWOSSO	State MI
		Zip 48867	
Authorizing CPA Signature	Printed Name LORI S. CHANT		License Number 1101020651

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## INDEPENDENT AUDITOR'S REPORT

Members of the Township Board  
Rush Township  
Shiawassee County, Michigan

We have audited the accompanying general-purpose financial statements of Rush Township, Shiawassee County, Michigan, as of and for the year ended March 31, 2006. These general-purpose financial statements are the responsibility of Rush Township management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with audit standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities and business-type activities as required by the Governmental Accounting Standards Board (GASB 34). Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. GASB 34 requires management's discussion and analysis which also has not been prepared.

In our opinion, except for the non-application of GASB 34, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Rush Township, Shiawassee County, Michigan, as of March 31, 2006 and the results of its operations for the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Our examination was made for the purpose of forming an opinion on the combined general-purpose financial statements taken as a whole and on the combining and individual fund financial statements. The accompanying financial information, listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the combined general-purpose financial statements of Rush Township. Such information has been subjected to the auditing procedures applied in the financial statements of the combined, combining and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined general-purpose financial statements taken as a whole.

Our report of comments and recommendations has been submitted under date of September 5, 2006.

*Dennis and Wenzel, PC*

Certified Public Accountants

Owosso, Michigan  
September 5, 2006

RUSH TOWNSHIP  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
MARCH 31, 2006

	<u>Government Fund Types</u>		<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Account Groups</u>
	General	Special Revenue	Enterprise	Trust and Agency	General Fixed Assets
ASSETS:					
Cash & Cash Equivalents	\$ 87,957	\$ 100,648	\$ 92,207	\$ 9,420	\$
Assessment Receivable - Current			9,685		
Operations & Maintenance Receivable			1,064		
Interest Receivable			1,759		
Due from Other Funds	9,420				
Due from Other Gov't Units	2,256	3,224			
Prepaid Insurance	4,966				
Assessment Receivable - Long-Term			125,839		
Fixed Assets					60,413
Sewer System Assets (Net of Accum. Deprec.)			454,436		
Total Assets	<u>\$ 104,599</u>	<u>\$ 103,872</u>	<u>\$ 684,990</u>	<u>\$ 9,420</u>	<u>\$ 60,413</u>

The accompanying notes are an integral  
part of the financial statements.

RUSH TOWNSHIP  
COMBINED BALANCE SHEET (CONTINUED)  
ALL FUND TYPES AND ACCOUNT GROUPS  
MARCH 31, 2006

	<u>Government Fund Types</u>		<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Type</u>	<u>Account Groups</u>
	General	Special Revenue	Enterprise	Trust and Agency	General Fixed Assets
<b>LIABILITIES:</b>					
Accounts Payable	\$ 1,727	\$	\$ 91	\$	\$
Accrued Interest Payable			6,197		
Due to Other Funds				9,420	
Due to Other Gov't Units					
Current Maturity on Long-Term Debt			10,000		
Revenue Bonds Payable			215,000		
Total Liabilities	\$ <u>1,727</u>	\$ <u>0</u>	\$ <u>231,288</u>	\$ <u>9,420</u>	\$ <u>0</u>
<b>FUND EQUITY:</b>					
Contributed Capital			534,199		
Accumulated Amortization			(71,230)		
Investment in General Fixed Assets					60,413
Ret. Earnings- Unreserved			(9,267)		
Fund Balance	<u>102,872</u>	<u>103,872</u>	<u></u>	<u></u>	<u></u>
Total Fund Equity	\$ <u>102,872</u>	\$ <u>103,872</u>	\$ <u>453,702</u>	\$ <u>0</u>	\$ <u>60,413</u>
Total Liabilities & Fund Equity	\$ <u><u>104,599</u></u>	\$ <u><u>103,872</u></u>	\$ <u><u>684,990</u></u>	\$ <u><u>9,420</u></u>	\$ <u><u>60,413</u></u>

The accompanying notes are an integral  
part of the financial statements.



RUSH TOWNSHIP  
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED MARCH 31, 2006

	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>
REVENUES:		
Taxes	\$ 45,745	\$ 59,920
Intergovernmental	104,674	-0-
Miscellaneous	<u>6,681</u>	<u>1,373</u>
TOTAL REVENUES	\$157,100	\$ 61,293
EXPENDITURES:		
Township Board	\$ 5,203	\$
Supervisor	6,000	
Elections	49	
Clerk	6,221	
Board of Review	711	
Treasurer	8,547	
Township Hall	2,416	
Assessor	10,920	
Attorney and Accountant	4,200	
Planning	425	
Fire and Ambulance	49,469	
Cemetery	7,614	
Street Lights	4,071	
Roads	106,262	
Insurance and Bonds	5,419	
Payroll Taxes	2,148	
Drains at Large	2,140	
M.A.G.N.E.T.	<u>1,400</u>	
TOTAL EXPENDITURES	\$223,215	\$ -0-
EXCESS OF REVENUES OVER (UNDER)		
EXPENDITURES	\$ (66,115)	\$ 61,293
OTHER FINANCING SOURCES (USES):		
Transfer In	\$ 49,469	\$ -0-
Transfer Out	<u>-0-</u>	<u>(49,469)</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ 49,469	\$ (49,469)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ (16,646)	\$ 11,824
Fund Balance at April 1, 2005	<u>119,518</u>	<u>92,048</u>
FUND BALANCE AT MARCH 31, 2006	\$ <u>102,872</u>	\$ <u>103,872</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES.  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL AND SPECIAL REVENUE FUND TYPES  
YEAR ENDED MARCH 31, 2006

	<u>GENERAL FUND</u>			<u>SPECIAL REVENUE FUND TYPES</u>		
REVENUES:	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>
Property Taxes	\$ 35,000	\$ 45,745	\$ (10,745)	\$ 49,600	\$ 59,920	\$ (10,320)
State Shared Revenues	101,000	104,674	(3,674)	0	0	0
Miscellaneous	<u>15,600</u>	<u>6,681</u>	<u>8,919</u>	<u>0</u>	<u>1,373</u>	<u>(1,373)</u>
TOTAL REVENUES	\$ 151,600	\$ 157,100	\$ (5,500)	\$ 49,600	\$ 61,293	\$ (11,693)
EXPENDITURES:						
Township Board	\$ 7,330	\$ 5,203	\$ 2,127	\$	\$	\$
Supervisor	5,600	6,000	(400)			
Elections	280	49	231			
Clerk	5,893	6,221	(328)			
Board of Review	1,100	711	389			
Treasurer	8,700	8,547	153			
Township Hall	1,960	2,416	(456)			
Assessor	10,600	10,920	(320)			
Planning Comm.	400	425	(25)			
Cemetery	9,200	7,614	1,586			
Attorney & Accountant	4,400	4,200	200			
Fire & Ambulance	49,600	49,469	131			
Street Lights	4,200	4,071	129			
Roads	106,273	106,262	11			
Insurance & Bonds	6,407	5,419	988			
Payroll Taxes	4,400	2,148	2,252			
Drains At Large	2,140	2,140	0			
M.A.G.N.E.T.	1,400	1,400	0			
TOTAL EXPENDITURES	\$ <u>229,883</u>	\$ <u>223,215</u>	\$ <u>6,668</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
REVENUES OVER (UNDER) EXPENDITURES	\$ (78,283)	\$ (66,115)	\$ (12,168)	\$ 49,600	\$ 61,293	\$ (11,693)
OTHER FINANCING SOURCES (USES):						
Transfer In	\$ 49,600	\$ 49,469	\$ 131	\$ 0	\$ 0	\$ 0
Transfer (Out)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(49,600)</u>	<u>(49,469)</u>	<u>(131)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ <u>(28,683)</u>	\$ (16,646)	\$ <u>(12,037)</u>	\$ <u>0</u>	\$ 11,824	\$ <u>(11,824)</u>
Fund Balance, April 1, 2005		<u>119,518</u>			<u>92,048</u>	
Fund Balance, March 31, 2006		\$ <u>102,872</u>			\$ <u>103,872</u>	

The accompanying notes are an integral  
part of the financial statements.

RUSH TOWNSHIP  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN RETAINED EARNINGS  
 ALL PROPRIETARY FUND TYPES  
 YEAR ENDED MARCH 31, 2006

	<u>ENTERPRISE</u>
REVENUES:	
Sewer Revenues	\$ 6,951
Penalties	782
Interest on Sewer Assessments	12,321
Investment Interest	<u>569</u>
TOTAL REVENUES	\$ 20,623
EXPENDITURES:	
Operation	\$ 1,190
Maintenance & Miscellaneous	13,652
Agent Fees	350
Interest	14,830
Depreciation	<u>6,991</u>
	\$ <u>37,013</u>
NET INCOME (LOSS)	\$ (16,390)
Current Year Amortization of Contribution in Aid of Construction - Assessment	\$ 4,269
Contribution in Aid of Construction - State	2,854
Retained Earnings, April 1, 2005	<u>-0-</u>
RETAINED EARNINGS, MARCH 31, 2006	\$ <u>(9,267)</u>

The accompanying notes are an integral  
 part of the financial statements.

RUSH TOWNSHIP  
COMBINED STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
YEAR ENDED MARCH 31, 2006

	<u>ENTERPRISE</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net Income (Loss)	\$(16,390)
ADJUSTMENTS FROM OPERATING ACTIVITIES:	
Depreciation	\$ 6,991
(Increase) Decrease in Accrued Int. Rec.	1,590
(Increase) Decrease in Sewer Receivables	11,839
(Decrease) Increase in Accrued Int. Payable	(289)
(Decrease) Increase in Accounts Payable	<u>(76)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 3,665
CASH FLOW FROM FINANCING ACTIVITIES:	
Principal Payments	\$( <u>10,000</u> )
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (6,335)
Cash and Cash Equivalents, April 1, 2005	<u>98,542</u>
CASH AND CASH EQUIVALENTS, MARCH 31, 2006	\$ <u>92,207</u>

DISCLOSURE OF ACCOUNTING POLICY:

For purposes of cash flows, the Township considers all highly liquid investments, such as certificates of deposit to be cash equivalents.

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 ALL AGENCY FUNDS  
 FOR THE YEAR ENDED MARCH 31, 2006

	BALANCE <u>3-31-05</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	BALANCE <u>3-31-06</u>
<u>CURRENT TAX COLLECTION FUND</u>				
ASSETS				
Cash	\$ <u>7,203</u>	\$ <u>932,186</u>	\$ <u>929,969</u>	\$ <u>9,420</u>
	\$ <u><u>7,203</u></u>	\$ <u><u>932,186</u></u>	\$ <u><u>929,969</u></u>	\$ <u><u>9,420</u></u>
LIABILITIES				
Due to Other Funds	\$ 7,203	\$113,050	\$110,833	\$ 9,420
Due to Other Taxing Entities	<u>-0-</u>	<u>819,136</u>	<u>819,136</u>	<u>-0-</u>
	\$ <u><u>7,203</u></u>	\$ <u><u>932,186</u></u>	\$ <u><u>929,969</u></u>	\$ <u><u>9,420</u></u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP  
SCHEDULE OF BONDED DEBT - 1996  
SHIAWASSEE COUNTY SEWAGE DISPOSAL  
GENERAL OBLIGATION BOND ISSUE  
MARCH 31, 2006

Purpose of Issue:	Acquisition of Sanitary Sewage System
Method of Payment:	Revenue from Debt of Taxpayers
Date of Issue:	April 1, 1996
Interest Rate:	Varies

TOTAL

Amount Authorized and Sold	\$270,000
Bonds Outstanding March 31, 2006	\$235,000

<u>DUE DATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
05-01-06	\$ 10,000	\$ 7,387
11-01-06		7,044
05-01-07	10,000	7,044
11-01-07		6,700
05-01-08	10,000	6,700
11-01-08		6,356
05-01-09	10,000	6,356
11-01-09		6,013
05-01-10	10,000	6,013
01-01-10		5,688
2011-2015	65,000	47,288
2016-2020	90,000	22,100
2021	20,000	650

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Rush Township conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

FUND ACCOUNTING

The accounts of the Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund type and broad fund categories as follows:

GOVERNMENT FUNDS

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIDUCIARY FUNDS

Tax Collection Funds - Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agency for individuals, private organization, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

FIXED ASSETS

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Asset Group, rather than in governmental funds. Public Domain ("infrastructure") general fixed assets consisting of certain improvements including buildings, but other than roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

The account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.



RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS

The account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives range from 5 to 75 years.

BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING (CONTINUED)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include; (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

CASH AND INVESTMENTS

Cash includes amount in demand deposits, money market accounts and certificates of deposit. These are stated at cost, which equals market value.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, transactions occur between individual funds for services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond March 31, 2006, are recorded as prepaid items.

FUND EQUITY

The proprietary fund's contributed capital represents capital contribution from customers for the construction of a community sewage disposal system. This system is to meet Michigan Department of Public Health Standards.

RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

COMPENSATED ABSENCES

The Township does not compensate employees for vacation time, sick time or any other absences.

POST-RETIREMENT HEALTH CARE BENEFITS

The Township does not provide a post-retirement health care benefits.

ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is utilized in the government fund types. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. There were no significant encumbrances at year end.

INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses, initially made from it that are properly applicable to another fund, are recorded as expenditures/expense in the reimbursing fund as reduction of expenditures/expense in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS AND BUDGETARY ACCOUNTING

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to the beginning of the fiscal year, the clerk submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in the Township to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through board approval.
4. The clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Township Board.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Enterprise Funds.
6. Budgets for the general, special revenue, capital projects funds and the discretely presented component unit are adopted on a basis consist with generally accepted accounting principles (GAAP).

RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE B - REPORTING ENTITY

For financial reporting purposes, in conformance with NCGA Statement No. 3, Defining the Governmental Reporting Entity, Rush Township includes all funds, account groups, agencies, boards, commissions and authorities that are controlled by or dependent on the Township's executive or legislative branches (the Township Supervisor or the Board respectively). Control by or dependence on the Township was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or general obligations of the Township obligation of the Township to finance any deficits that may occur or receipt of significant subsidies from the Township.

NOTE C - INTERFUND RECEIVABLES AND PAYABLES

The amount of interfund receivables and payables are as follows:

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>FUND</u>	<u>INTERFUND PAYABLE</u>
General Fund	\$9,420	Tax Fund	\$9,420

NOTE D - PROPERTY TAXES RECEIVABLE

The delinquent real property taxes of the Township are purchased by the County of Shiawassee. The county intends to sell tax notes, the proceeds of which will be used to pay the Township for these property taxes. It is anticipated this will take place in May, 2006. These taxes have been recorded as revenue for the current year.

Taxes levied on December 1, are payable on February 14. The Township bills and collects its own property taxes and also taxes for the county and local school districts. Collections of the county and school taxes and remittances of them are accounted for in the current tax collection fund. Township property taxes are recognized when levied to the extent that they result in current receivables.

RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE E - CASH, CASH EQUIVALENTS AND INVESTMENTS

In accordance with Michigan Compiled Laws, the Township is authorized to invest in the following investment vehicles:

- a. Bonds, securities and other obligations of the United States or any agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being section 21.145 and 21.146 of the Michigan Compiled Laws.
- c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers acceptances of United States banks.
- f. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

Federal Deposit Insurance Corporation (FDIC) regulations provide that deposits of governmental units are to be separately insured for the amount of \$100,000 for deposits in an insured bank for savings deposits and \$100,000 for demand deposits. Furthermore, if specific deposits are to be separately insured for the amount of \$100,000. Michigan Compiled Laws allow for collateralization of government deposits if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of State surplus funds, securities, issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE E - CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits

As of March 31, 2006, the carrying amounts and the bank balances for each type of bank accounts are as follows:

	<u>CARRYING AMOUNT</u>	<u>BANK BALANCE</u>
Checking	\$ 18,124	\$ 27,128
Savings	178,684	178,684
Certificates of Deposit	<u>93,424</u>	<u>93,424</u>
	<u>\$290,232</u>	<u>\$299,236</u>

Deposit of the Township are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the Township. As of March 31, 2006, the Township accounts were insured by the FDIC for \$211,548 and the amount of \$78,684 was uninsured and uncollateralized.

Due to significantly higher cash flow at certain periods during the year, the amount the Township held as cash and cash equivalents increases significantly. As a result, the amount of the uninsured and uncollateralized cash and cash equivalents were substantially higher at these peak periods than at year end.

RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE F - FIXED ASSETS

A summary of changes in general fixed assets follows:

<u>DESCRIPTION</u>	<u>BALANCE</u> <u>3-31-05</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>3-31-06</u>
Land & Bldg.	\$47,892	\$ -0-	\$ -0-	\$47,892
Equipment & Improvements	<u>12,521</u>	<u>-0-</u>	<u>-0-</u>	<u>12,521</u>
	<u>\$60,413</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$60,413</u>

A summary of proprietary fund type property, plant and equipment at March 31, 2006, follows:

Sewer System	\$524,349
Less: Accumulated Depreciation	<u>69,913</u>
NET	<u>\$454,436</u>

Depreciation expense for the year ended March 31, 2006 was \$6,991 for Sewer Fund.

NOTE G - CONTRIBUTED CAPITAL

The changes in the township's contributed capital accounts for the proprietary funds were as follows:

<u>ENTERPRISES</u>	
<u>HENDERSON SEWAGE DISPOSAL SYSTEM</u>	
Beginning Balance - Contributed Capital	
Assessment	\$281,728
Contributed Capital - State	188,364
Less: Current Year Amortization - Assessment	4,269
Current Year Amortization - Sate	<u>2,854</u>
Ending Balance - Contributed Capital	<u>\$462,969</u>



RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE H - INTERFUND OPERATING TRANSFERS

	<u>TRANSFER TO</u>	<u>TRANSFER FROM</u>
General Fund	\$49,469	\$ -0-
Fire and Ambulance Fund	<u>-0-</u>	<u>49,469</u>
	<u>\$49,469</u>	<u>\$49,469</u>

NOTE I - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

P.A. 621 of 1978, Section 18 (1) as amended, provides a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a activity basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2006, the township incurred expenditures in certain budgetary line items which were in excess of the amounts appropriated as follows:

	<u>TOTAL APPROPRIATION</u>	<u>AMOUNT OF EXPENDITURE</u>	<u>BUDGET VARIANCE</u>
<u>GENERAL FUND</u>			
Supervisor	\$ 5,600	\$ 6,000	\$ 400
Clerk	5,893	6,221	328
Township Hall	1,960	2,416	456
Assessor	10,600	10,920	320
Planning	400	425	25
Sewer	33,200	37,013	3,813

RUSH TOWNSHIP  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED MARCH 31, 2006

NOTE J - SEWER FUND

On April 1, 1996, the Township of Rush entered into a contract with Shiawassee County whereby the county agreed to finance the cost of acquisition of sanitary sewage system for the township. Pursuant to this agreement, Shiawassee County issued \$270,000 of its bonds. As of March 31, 2006, \$235,000 of these bonds were outstanding. The bonds are payable primarily from monies derived from payments to be made by the township to the county in accordance with the terms of the contract.

The contribution in aid of construction is amortized by the same method and over the same life as the assets are depreciated.

Annual debt service requirements to maturity (principal only) are as follows:

<u>FISCAL YEAR</u> <u>ENDING 3-31-06</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>
2006	\$ 10,000
2007	10,000
2008	10,000
2009	10,000
2010	10,000
2011 - 2015	65,000
2016 - 2020	90,000
2021	<u>20,000</u>
	<u>\$225,000</u>

## OTHER FINANCIAL INFORMATION

## GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

RUSH TOWNSHIP  
GENERAL FUND  
BALANCE SHEET  
MARCH 31, 2006 AND MARCH 31, 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Cash & Cash Equivalents	\$ 87,957	\$106,900
Due from Other Funds	9,420	7,203
Due from Other Gov't. Units	2,256	3,012
Prepaid Insurance	<u>4,966</u>	<u>5,000</u>
	<u>\$104,599</u>	<u>\$122,115</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 617	\$ 1,511
Payroll Tax Payable	<u>1,110</u>	<u>1,086</u>
	\$ 1,727	\$ 2,597
 Fund Balance	 <u>102,872</u>	 <u>119,518</u>
	<u>\$104,599</u>	<u>\$122,115</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

		<u>2006</u>		<u>2005</u>
	<u>AMENDED</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
	<u>BUDGET</u>			
REVENUES:				
Taxes:				
Current Property Taxes	\$	\$ 33,501	\$	\$ 31,981
Penalties		228		563
Collection Fees		<u>12,016</u>		<u>8,980</u>
TOTAL TAXES	\$ 35,000	\$ 45,745	\$ (10,745)	\$ 41,524
Intergovernmental:				
State of Michigan:				
Shared Revenues	\$	<u>\$104,674</u>	\$	<u>\$107,393</u>
TOTAL INTERGOV'T.	\$101,000	\$104,674	\$ (3,674)	\$107,393
Miscellaneous:				
Cable Fees	\$ 10,000	\$ 3,057	\$ 6,943	\$ 2,778
Internments	3,000	2,700	300	950
Cemetery Lot Sales	2,000	650	1,350	2,200
Interest Income	<u>600</u>	<u>274</u>	<u>326</u>	<u>415</u>
TOTAL MISCELLANEOUS	\$ <u>15,600</u>	\$ <u>6,681</u>	\$ <u>8,919</u>	\$ <u>6,343</u>
TOTAL REVENUES	\$151,600	\$157,100	\$ (5,500)	\$155,260
EXPENDITURES:				
General Government:				
Twp. Board:				
Salaries-Trustees	\$	\$ 1,440	\$	\$ 1,440
Dues		722		698
Seminars		62		70
Office Wages		2,636		2,760
Capital Outlay		-0-		420
Printing Supplies				
& Miscellaneous		<u>343</u>		<u>482</u>
	\$ 7,330	\$ 5,203	\$ 2,127	\$ 5,870
Supervisor:				
Salaries	\$	<u>\$ 6,000</u>	\$	<u>\$ 6,000</u>
	\$ 5,600	\$ 6,000	\$ (400)	\$ 6,000
Elections:				
Wages	\$	\$ -0-	\$	\$ 1,285
Supplies & Misc.		<u>49</u>		<u>730</u>
	\$ 280	\$ 49	\$ 231	\$ 2,015

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (CONTINUED)  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

		<u>2006</u>		<u>2005</u>
	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
EXPENDITURES:				
General Government:				
Clerk:				
Salaries	\$	\$ 6,124	\$	\$ 6,148
Office Supplies		97		10
	\$ 5,893	\$ 6,221	\$ (328)	\$ 6,158
Board of Review:				
Salaries	\$	\$ 675	\$	\$ 825
Publications & Supplies		36		244
	\$ 1,100	\$ 711	\$ 389	\$ 1,069
Treasurer:				
Salaries	\$	\$ 7,544	\$	\$ 8,170
Office Supplies		1,003		675
	\$ 8,700	\$ 8,547	\$ 153	\$ 8,845
Township Hall:				
Utilities	\$	\$ 2,332	\$	\$ 2,143
Repairs & Maint.		84		182
	\$ 1,960	\$ 2,416	\$ (456)	\$ 2,325
Assessor:				
Professional Serv.	\$	\$ 10,605	\$	\$ 9,683
Supplies		315		706
	\$10,600	\$ 10,920	\$ (320)	\$ 10,389
Planning:				
Salaries	\$	\$ 425	\$	\$ 225
	\$ 400	\$ 425	\$ (25)	\$ 225

The accompanying notes are an integral  
part of the financial statements.

RUSH TOWNSHIP  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (CONTINUED)  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

		<u>2006</u>	ACTUAL (OVER) UNDER	<u>2005</u>
	<u>AMENDED</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
	<u>BUDGET</u>			
EXPENDITURES:				
Cemetery:				
Wages	\$	\$ 4,404	\$	\$ 6,910
Supplies & Misc.		<u>3,210</u>		<u>495</u>
	\$ 9,200	\$ 7,614	\$ 1,586	\$ 7,405
General Government:				
Atty & Accountant	\$ 4,400	\$ 4,200	\$ 200	\$ 3,850
Fire & Ambulance	49,600	49,469	131	47,575
Street Lights	4,200	4,071	129	4,020
Roads	106,273	106,262	11	81,077
Insurance & Bonds	6,407	5,419	988	5,131
Payroll Taxes	4,400	2,148	2,252	2,177
Drains at Large	2,140	2,140	-0-	538
M.A.G.N.E.T.	<u>1,400</u>	<u>1,400</u>	<u>-0-</u>	<u>-0-</u>
TOTAL EXPENDITURES	<u>\$229,883</u>	<u>\$223,215</u>	<u>\$ 6,668</u>	<u>\$194,669</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	\$ (78,283)	\$ (66,115)	\$ (12,168)	\$ (39,409)
OTHER FINANCING SOURCES (USES):				
Transfer In	\$ <u>49,600</u>	\$ <u>49,469</u>	\$ <u>131</u>	\$ <u>47,575</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER FINANCING USES	\$ <u>(28,683)</u>	\$ (16,646)	\$ <u>(12,837)</u>	\$ 8,166
Fund Balance, April 1, 2005		<u>119,518</u>		<u>111,352</u>
FUND BALANCE, MARCH 31, 2006		<u>\$102,872</u>		<u>\$119,518</u>

The accompanying notes are an integral part of the financial statements.



SPECIAL REVENUE FUND

FIRE AND AMBULANCE FUND

Fire and Ambulance Fund is used to account for fees received and monies disbursed for Township fire protection and ambulance service.

RUSH TOWNSHIP  
FIRE AND AMBULANCE FUND  
BALANCE SHEET  
MARCH 31, 2006 AND MARCH 31, 2005

ASSETS

	<u>2006</u>	<u>2005</u>
Cash & Cash Equivalents	\$100,648	\$87,855
Due from Other Governmental Units	<u>3,224</u> <u>\$103,872</u>	<u>4,193</u> <u>\$92,048</u>
 FUND BALANCE	 <u>\$103,872</u>	 <u>\$92,048</u>

The accompanying notes are an integral  
part of the financial statements.

RUSH TOWNSHIP  
FIRE AND AMBULANCE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

		<u>2006</u>		<u>2005</u>
	<u>AMENDED</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:	<u>BUDGET</u>			
Property Taxes	\$	\$ 59,920	\$	\$ 57,129
Interest Earned		<u>1,373</u>		<u>585</u>
TOTAL REVENUES	\$ 49,600	\$ 61,293	\$ (11,693)	\$ 57,714
Expenditures	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 49,600	\$ 61,293	\$ (11,693)	\$ 57,714
OTHER FINANCING SOURCES (USES):				
Transfer Out	(49,600)	(49,469)	(131)	47,575
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ <u>-0-</u>	\$ 11,824	\$ (11,824)	\$ 10,139
Fund Balance, April 1, 2005		<u>92,048</u>		<u>81,909</u>
FUND BALANCE, MARCH 31, 2006		<u>\$103,872</u>		<u>\$ 92,048</u>

The accompanying notes are an integral part of the financial statements.

## ENTERPRISE FUND

Henderson Sewage Disposal System - To account for the provision and disbursement of monies related to the construction of a community disposal system to meet Michigan Department of Public Health Standards, including, but not limited to, administration, construction, operation, maintenance, financing and related debt service, and billing and collection.

RUSH TOWNSHIP  
 HENDERSON SEWAGE DISPOSAL SYSTEM  
 BALANCE SHEET  
 MARCH 31, 2006 AND MARCH 31, 2005

ASSETS

	<u>2006</u>	<u>2005</u>
CURRENT ASSETS:		
Cash & Cash Equivalents	\$ 92,207	\$ 98,542
Interest Receivable	1,759	3,349
Assessments Receivable - Current	<u>9,685</u>	<u>10,175</u>
TOTAL CURRENT ASSETS	\$103,651	\$112,066
 PROPERTY AND PLANT:		
Sewer System	\$524,349	\$524,349
Accumulated Depreciation	<u>69,913</u>	<u>62,922</u>
TOTAL PROPERTY AND PLANT	\$454,436	\$461,427
 OTHER ASSETS:		
Assessments Receivable - Long-Term	\$125,839	\$137,691
Operation and Maintenance Receivable	<u>1,064</u>	<u>561</u>
TOTAL OTHER ASSETS	<u>\$126,903</u>	<u>\$138,252</u>
	<u>\$684,990</u>	<u>\$711,745</u>

The accompanying notes are an integral  
 part of the financial statements.

RUSH TOWNSHIP  
 HENDERSON SEWAGE DISPOSAL SYSTEM  
 BALANCE SHEET (CONTINUED)  
 MARCH 31, 2006 AND MARCH 31, 2005

LIABILITIES AND FUND EQUITY

	<u>2006</u>	<u>2005</u>
CURRENT LIABILITIES:		
Current Maturities on Long-Term Debt	\$ 10,000	\$ 10,000
Accrued Interest Payable	6,197	6,486
Accounts Payable	<u>91</u>	<u>167</u>
TOTAL CURRENT LIABILITIES	\$ 16,288	\$ 16,653
LONG-TERM LIABILITIES:		
Bond Payable, Less Current Maturities	<u>\$215,000</u>	<u>\$225,000</u>
TOTAL LONG-TERM LIABILITIES	\$215,000	\$225,000
FUND EQUITY:		
Contribution in Aid of Construction - Assessments	\$320,149	\$320,149
Accumulated Amortization - Assessment	(42,690)	(38,421)
Contribution in Aid of Construction - State	214,050	214,050
Accumulated Amortization - State	<u>(28,540)</u>	<u>(25,686)</u>
	\$462,969	\$470,092
Retained Earnings	<u>(9,267)</u>	<u>-0-</u>
TOTAL FUND EQUITY	<u>\$453,702</u>	<u>\$470,092</u>
	<u>\$684,990</u>	<u>\$711,745</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP  
 HENDERSON SEWAGE DISPOSAL SYSTEM  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN RETAINED EARNINGS  
 YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

		<u>2006</u>		<u>2005</u>
	<u>AMENDED</u> <u>BUDGET</u>	<u>ACTUAL</u>	ACTUAL (OVER) UNDER <u>BUDGET</u>	<u>ACTUAL</u>
REVENUES:				
Sewer Revenues	\$	\$ 6,951	\$	\$ 4,259
Penalties		782		959
Interest on Sewer Debt		12,321		15,242
Investment Interest		<u>569</u>		<u>482</u>
TOTAL REVENUES	\$ <u>36,950</u>	\$ 20,623	\$ <u>16,327</u>	\$ <u>20,942</u>
EXPENDITURES:				
Operation	\$	\$ 1,190	\$	\$ 1,668
Maint. & Misc.		13,652		3,777
Agent Fees		350		350
Interest		14,830		15,483
Depreciation		<u>6,991</u>		<u>6,992</u>
TOTAL EXPENDITURES	\$ <u>33,200</u>	\$ <u>37,013</u>	\$ <u>(3,813)</u>	\$ <u>28,270</u>
NET INCOME (LOSS)	\$ <u>3,750</u>	\$ (16,390)	\$ <u>(12,640)</u>	\$ (7,328)
Current Year Amortization of Contribution in Aid of Construction				
Assessment		4,269		4,269
State		<u>2,854</u>		<u>2,854</u>
		\$ 7,123		\$ 7,123
Retained Earnings, April 1,		<u>-0-</u>		<u>205</u>
RETAINED EARNINGS, MARCH 31,		\$ <u>(9,267)</u>		\$ <u>-0-</u>

The accompanying notes are an integral  
 part of the financial statements.

RUSH TOWNSHIP  
 HENDERSON SEWAGE DISPOSAL SYSTEM  
 STATEMENT OF CASH FLOWS  
 YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss) Net of		
Amortization	\$(16,390)	\$ (7,328)
ADJUSTMENTS FROM OPERATING ACTIVITIES:		
Depreciation	\$ 6,991	\$ 6,992
(Increase) Decrease in		
Accrued Interest Receivable	1,590	(720)
(Increase) Decrease in Sewer		
Receivables	11,839	12,899
(Decrease) Increase in Accrued		
Interest Payable	(289)	(151)
(Decrease) Increase in Accounts		
Payable	<u>(76)</u>	<u>(297)</u>
NET CASH FLOWS FROM OPERATING		
ACTIVITIES	\$ 3,665	\$ 11,395
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal Payments	\$( <u>10,000</u> )	\$ ( <u>5,000</u> )
NET INCREASE (DECREASE) IN CASH		
AND CASH EQUIVALENTS	\$ (6,335)	\$ 6,395
Cash and Cash Equivalents,		
April 1, 2005	<u>98,542</u>	<u>92,147</u>
CASH AND CASH EQUIVALENTS,		
MARCH 31, 2006	\$ <u>92,207</u>	\$ <u>98,542</u>

DISCLOSURE OF ACCOUNTING POLICY:

For purposes of the statement of cash flows, the township considers all highly liquid investments, such as certificates of deposits to be cash equivalents.

The accompanying notes are an integral part of the financial statements.



## FIDUCIARY FUND

### CURRENT TAX COLLECTION FUND

Current Tax Collection Fund is used to receive the Township's current tax collections and to distribute such monies to the Township fund involved therein, and to other governmental agencies.

RUSH TOWNSHIP  
CURRENT TAX COLLECTION FUND  
BALANCE SHEET  
MARCH 31, 2006 AND MARCH 31, 2005

CURRENT TAX COLLECTION FUND

	<u>2006</u>	<u>2005</u>
ASSETS:		
Cash & Cash Equivalents	\$ <u>9,420</u>	\$ <u>7,203</u>
	\$ <u>9,420</u>	\$ <u>7,203</u>
LIABILITIES:		
Due to Other Funds	\$ <u>9,420</u>	\$ <u>7,203</u>
	\$ <u>9,420</u>	\$ <u>7,203</u>
FUND BALANCE	<u>-0-</u> \$ <u>9,420</u>	<u>-0-</u> \$ <u>7,203</u>

The accompanying notes are an integral part of the financial statements.

RUSH TOWNSHIP  
CURRENT TAX COLLECTION FUND  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND BALANCES  
YEARS ENDED MARCH 31, 2006 AND MARCH 31, 2005

	<u>2006</u>		<u>2005</u>
Cash Receipts:			
2005 Roll Property Tax Collections:			
Owosso Schools	\$157,925		\$131,848
Chesaning Schools	2,452		2,306
Ovid-Elsie Schools	27,235		26,567
Saginaw ISD	894		790
Shiawassee County	575,049		537,274
Clinton Co. Resa	11,243		10,320
Shiawassee District			
Library	40,888		38,026
Rush Township	<u>94,809</u>	\$910,495	<u>87,090</u> \$834,221
Other Receipts:			
Tax Collection			
Fees	\$ 9,556		\$ 8,334
Penalties	556		899
Dog Licenses	110		160
Overpayments	-0-		1,735
2004 Delinquents	<u>11,469</u>	<u>21,691</u>	<u>9,878</u> <u>21,006</u>
TOTAL CASH RECEIPTS		\$932,186	\$855,227
Cash Disbursements:			
Owosso Schools	\$157,925		\$135,453
Chesaning Schools	2,452		2,365
Ovid-Elsie Schools	27,235		27,017
Saginaw ISD	894		810
Shiawassee County	575,487		542,473
Clinton County Resa	11,243		10,488
Rush Township	110,825		111,915
Shiawassee District			
Library	43,900		41,098
Underpayments	<u>8</u>	<u>929,969</u>	<u>1,727</u> <u>873,346</u>
EXCESS (DECREASE) OF CASH			
RECEIPTS OVER (UNDER)			
CASH DISBURSEMENTS		\$ 2,217	\$ 18,119
Cash Balances:			
Cash Balance at March 31, 2005			
and March 31, 2004		<u>7,203</u>	<u>25,322</u>
CASH BALANCE AT MARCH 31, 2006			
AND MARCH 31, 2005		<u>\$ 9,420</u>	<u>\$ 7,203</u>

The accompanying notes are an integral part of the financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in  
proprietary fund operations or accounted  
for in trust funds.

RUSH TOWNSHIP  
SCHEDULE OF GENERAL FIXED ASSETS  
MARCH 31, 2006

General Fixed Assets:	
Land and Building	\$47,892
Equipment and Improvements	<u>12,521</u>
	<u>\$60,413</u>
 Investment in General Fixed Assets	 <u>\$60,413</u>

The accompanying notes are an integral  
part of the financial statements.

RUSH TOWNSHIP  
FIXED ASSET FUND  
ANALYSIS OF CHANGE IN FUND BALANCE  
MARCH 31, 2006

	<u>BALANCE</u> <u>3-31-05</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>3-31-06</u>
Land & Building	\$47,892	\$ -0-	\$ -0-	\$47,892
Equipment	<u>12,521</u>	<u>-0-</u>	<u>-0-</u>	<u>12,521</u>
	<u>\$60,413</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$60,413</u>

The accompanying notes are an integral  
part of the financial statements.



# DEMIS and WENZLICK, P.C.

*Certified Public Accountants*

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**Members of the Township Board  
Township of Rush  
Shiawassee County, Michigan**

**In compliance with the provisions of Section 11, Paragraph 2, of Act 2, Public Acts of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination our firm performed on the financial statements of the Township of Rush for the year ended March 31, 2006.**

**As a result of our examination of the Township's financial statements, we make the following comments:**

**BUDGET**

**The State Revenue Sharing Distribution; Law, P.A. 176, of 1980, includes a compliance requirement in budgeting. It is required under this act that expenditures do not exceed the budget. Expenditures include accounts payable at March 31.**

**Separate budgets should be adopted for the General Fund, Fire and Ambulance Fund and Sewer Fund.**

**We wish to thank the board for the excellent cooperation we received in performing the township audit. If we can be of any further assistance to the township, in these matters or any future matters please do not hesitate to contact us.**

*Demis and Wenzlick, P.C.*

**Certified Public Accountants**

**Owosso, Michigan  
September 5, 2006**